COMMENTS OF THE TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

Prepared for the
California Energy Commission
Joint Committee Workshop on In-State and Interstate
Transmission and Potential In-State Corridors:

"Transmission Projects that Should be Included in The 2007 Strategic Plan, and Critical Longer Term Projects Outside of the Time Horizon of the 2007 Plan"

> May 14, 2007 Presented by:

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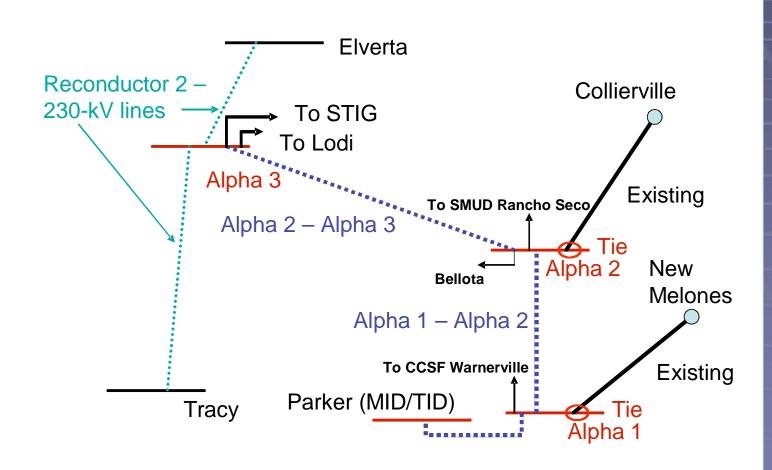
- TANC is a Joint Powers Agency formed Under California Law in 1984
- TANC's Members include the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah; the Plumas-Sierra Rural Electric Cooperative; the Sacramento Municipal Utility District; the Modesto Irrigation District; and the Turlock Irrigation Districts
- TANC develops, finances, owns, and operates transmission on behalf of these 15 publicly-owned utilities

- TANC is the Majority Owner and Project Manager for the COTP, one of three 500-kV lines connecting California with the Pacific Northwest
- The COTP is operated in the SMUD Control Area on behalf of the TANC Members
- TANC's Members operate in 3 Control Areas in California:
 - The CA-ISO Control Area
 - The SMUD-Western Control Area
 - The Turlock Irrigation District Control Area
- Transmission Additions for Reliability, Coordination and Load Serving Capability are Planned for most of TANC's Members

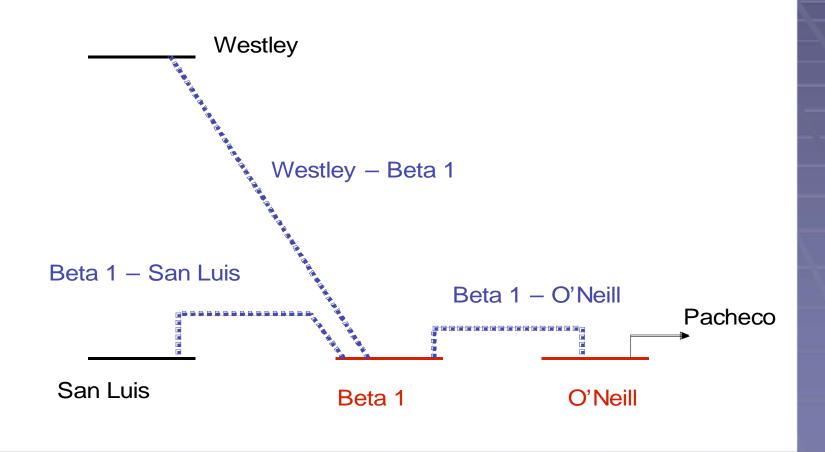
- TANC on behalf of its Members has filed transmission plans in the IEPR process related to future needs
- TANC has provided comments in the "Transmission Corridor Designation" Workshop process
- TANC participates in today's Workshop to provide the Commission with current plans for in-state transmission upgrades that are in addition to those of the CA-ISO
- TANC PARTICIPATES IN REGIONAL TRANSMISSION PLANNING ACTIVITIES, AND ENCOURAGES THIS COMMISSION TO TAKE NOTE OF THE PLANS OF ALL AGENCIES

- New Transmission Projects planned by TANC and its Members will:
 - Enhance the Reliability of electric system operations in northern California
 - Increase or strengthen the interchange capability between and among Control Areas in northern California
 - Enhance utilization of the TANC-owned portion of the COTP
 - Increase deliverability of power in northern California
 - Provide scheduling entitlements to TANC's Members over facilities owned by them jointly
 - Provide a fixed and stable cost of transmission from resources to Members' loads
- NORTHERN CALIFORNIA SYSTEM OPERATIONS WILL BENEFIT FROM TANC'S TRANSMISSION ADDITIONS

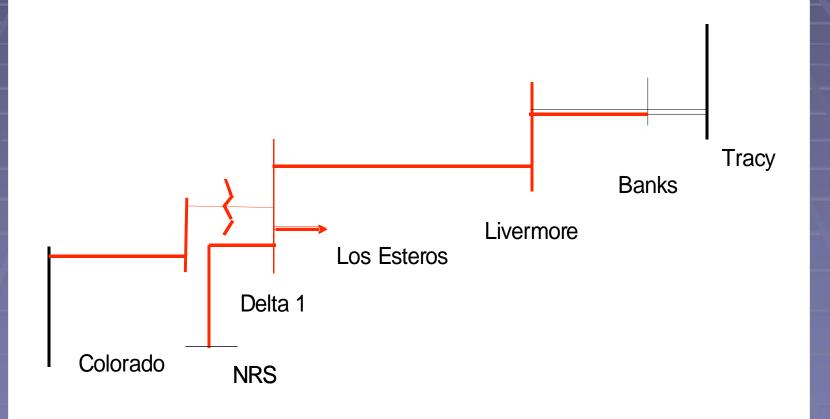
Alpha Segment



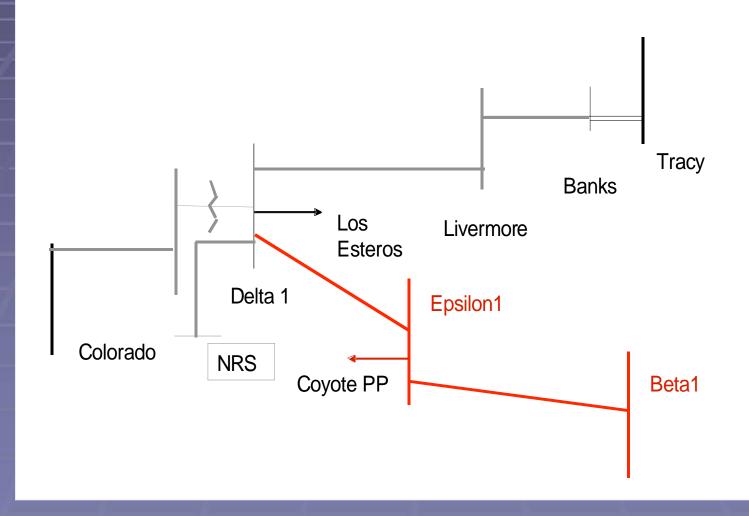
Beta Segment



Delta Segment



Epsilon Segment



PROJECT ZETA (Not to Scale) **ROUND MTN** To Shasta & ŽETA 1 **Airport** (3) COTTONWOOD **OLINDA Existing WAPA 230-kV** Existing PG&E 230-kV WAPA 230-kV rebuilt as double circuit 500-kV New 500-kV (operating at 230-kV) **ROSEVILLE** ZETA 2 **ELVERTA FIDDYMENT**

- TANC has and will continue to reach out to all neighboring utilities in developing its planned additions for northern California:
 - SMUD
 - Western Area Power Administration
 - PG&E
 - TID
 - NCPA
 - CA-ISO
- TANC'S PLANNED ADDITIONS ARE NON-DUPLICATIVE OF THOSE OF OTHER UTILITIES

CONCLUSIONS:

- The CEC should consider TANC's planned Transmission additions in developing the 2007 Strategic Plan
- The CEC should consider the planned Transmission additions of all planning entities in the State in making its 2007 Strategic Plan
- All planned Transmission additions, such as those of TANC, which are believed to enhance the State's ability to meet its policy objectives should be included in the 2007 Strategic Plan
- The CEC should continue its processes to explore ways to encourage and assist the development of transmission projects that help meet the State's Policy objectives

• QUESTIONS?

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